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Republika ng Pilipinas
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

MC # 38, S. 1993

MEMORANDUM

T O : The Deputy Administrator/Assistant Administrators/
Department Managers/Operations Managers/Regional
Irrigation Managers/Irrigation Superintendents/
Provincial Irrigation Officers/Institutional
Development Managers and All Others Concerned

F R O M : The Administrator

SUBJECT : MONITORING THE ADHERENCE OF IRRIGATORS ASSOCIATIONS/
IA COOPERATIVES TO THE PROVISIONS OF THEIR BY-LAWS
AND COMPLIANCE WITH SEC/CDA REQUIREMENTS

In order to pre-empt the Board of Directors/officers of irrigators associations/IA cooperatives from committing acts which are detrimental to the interest of the organization and the general membership, hereby issued is a memorandum circular to effect the monitoring of IAs relative to their adherence to the provision of by-laws specially on election and their compliance with SEC/CDA requirements.

There were reported cases in some regions/systems where elected BODs/officers held their positions beyond the terms of office which is contrary to the provisions of the association charter. The underlying reasons for non-compliance of the electoral provision could be due to the personal motives of the BODs/officers and the ignorance of the general membership on the specific provisions of their by-laws. This situation if remained unchecked would invite commission of graft and corruption among its officers and create organizational problems which may end up to the total disintegration and collapse of the associations. In the same way, this would add burden in the financial assets of the agency as it may require strengthening and reorganization activities to contain the problem. Such could be avoided if proper monitoring mechanism is in place which would ensure that provisions of the by-laws on election are religiously followed by the IAs/IA cooperatives.

So as to prevent the recurrence of similar cases in the affairs of IAs/IA cooperatives and to enable them comply with the requirements of the Securities and Exchange Commission/ Cooperatives Development Authority, monitoring of their adherence to the provisions of their by-laws is necessary. Provided herewith are basic guidelines and sample monitoring form that would address this concern.

This memorandum circular takes effect immediately.

(SGD.) APOLONIO V. BAUTISTA
Administrator

August 3, 1993

GUIDELINES IN THE MONITORING OF IRRIGATORS ASSOCIATIONS/
IA-COOPERATIVES' ADHERENCE TO THE PROVISIONS
OF BY-LAWS AND COMPLIANCE WITH
SEC/CDA REQUIREMENTS

I. INTRODUCTION

The irrigators association is an institution that exemplifies the democratic processes of governance. The elements which make up the organization are the members and the elected leaders who are responsible in upholding the basic substance of a democratic institution which is necessary to preserve its existence.

The strength of the organization is nurtured in terms of its capacity to embrace the sacred provisions of its constitution and by-laws. Like any other organized groups, it must adhere to the rules of law in order to rule with authority. The essence is that no person or group of persons must govern unless its powers have emanated from the same people it has to govern.

Several cases have been documented in some irrigation systems where organizational problems in the irrigation associations have occurred as a result of the non-adherence to the provisions of their charter specifically the provision on election. Presumably, there may be numbers of similar problems which have not reached the different levels of NIA management that now affect the internal affairs of the IAs particularly in relation to system operation and maintenance. Problems with the registering agencies (SEC/CDA) may also occur if submission of necessary requirements is not religiously complied with.

The regular monitoring therefore of the IAs/IA Cooperatives whether they adhere to their by-laws specially on election enables NIA to intervene with those which fail to observe the mandates of their charter. Likewise, to comply with SEC/CDA requirements.

II. PREMISE

Evidently, in some irrigation systems, organizational conflict within the irrigators associations cropped up primarily due to extended terms of office of the elected officers.

Recorded cases reveal that inaccessibility to sacred documents such as the by-laws by the general membership render them unknowledgeable of the basic provisions specifically on election. As personal interest of the elected officers becomes a primordial goal over and above the interests of the association, they work for the sustenance of their positions by not following what their by-laws state regarding the conduct of elections.

In some cases, unscrupulous IA officers were able to remain in their elected positions several years more than the term of office prescribed in the by-laws. The IA president in connivance with some private persons used the association in illegal business transaction only to find himself later as the subject of a court case filed by a government agency. Unexpectedly, this created an irreparable damage to the association and further caused an internal rift among the BOD/officers including its members.

A similar case had been recorded where IA officers took advantage of the opportunity to hold on to their positions beyond the terms of office which also pushed them to commit irregularities.

In another case, complaints were mounted against the officers of three (3) irrigators associations for the non-holding of regular elections. These problems have so far reached not only the regional/provincial and irrigation system offices but also the central office for immediate intervention. As the number of cases regarding these are expected to rise, monitoring of this activity is the most logical move to minimize the occurrence of same.

III. OBJECTIVES

1. To install an active monitoring system that would provide the RIO/ISO/PIO of necessary information on the adherence of IAs/IA Coop. to the provisions of the by-laws and compliance with SEC/CDA requirements.
2. To install a feedback mechanism that would enable the IAs/IA Coop. abide with the mandates of their by-laws and enable them provide necessary requirements to SEC/CDA.
3. To instill among IAs/IA Coop. the policy of transparency to become a truly democratic institution.
4. To install a rapid appraisal system that would unravel internal rift in the IAs/IA Coop. in order for NIA to provide intervention to prevent the disintegration of the associations.

IV. ACTIVITIES TO BE UNDERTAKEN

1. Review of the IA charter

This should be made in order to find out what the IAs are required to undertake as mandated in their charter. Focus should be given on the following: date of holding a general assembly/BOD meetings, date of election of new set of officers and other provisions that need to be acted upon by the IA BOD/officers/general membership.

2. Prepare masterlist of IAs/IA Cooperatives for both NISS/CISs by PIO/ISO

Indicate opposite each IA the date/s corresponding to the schedule of general assembly meeting, election of new set of BODs/officers, regular BOD meetings, etc. as well as SEC requirements and information that have to be provided to the members.

3. Prepare a proto-type letter

The letter is in the form of a reminded which tells the IAs of their deficiencies in terms of what are to be undertaken as provided for in their by-laws (e.g. conduct of general assembly meeting, regular election, BOD/officer meetings, SEC requirements, etc.)

4. Campaign for the policy of transparency among IAs/IA Cooperatives

All IAs/IA Cooperatives records should be open to scrutiny by the general membership. As a policy, accessibility should be accorded to all members who would want to make an examination of the various documents the association has in its possession. This would surely erase suspicion and build confidence and trust among the members and officers of the association.

The trainings that are being conducted are venues to ventilate the issue on transparency as far as the conduct of IA affairs is concerned.

MONITORING FORMAT
Per HC # _____, s. 1995
ADHERENCE OF IAs/IA COOP TO THE PROVISIONS OF THEIR BY-LAWS
AND COMPLIANCE WITH CIA/SEC REQUIREMENTS

Fiscal Year 19____
Region _____
NIS/Province _____

Name of IA/IA Coop.	TSA Assembly and Election of officers		IA Coop./General Assembly and Election of Officers		EOD Regular Meetings		Required Report to SEC/CDA		Date of Audit/Financial Inventory
	Schedule	Actual	Schedule	Actual	Schedule	Actual	Schedule	Date Complied	
1	2	3	4	5	6	7	8	9	10

Note: Under column #10, please indicate the latest date of inventory and the office which performed it.

EMC/ndj (HF)
20 July 1953